Agenda

01 Evotec OAI Overview
02 Building a Proprietary Pipeline
03 Contract Research
04 Q1 2005 Results
05 Strategic Summary and Outlook
Overview of Evotec OAI

- Excellence in drug discovery and development
  - Seamless industrialised platform from target to proof-of-concept
  - Integrated discovery and development services for Pharma and Biotech
  - Proprietary CNS pipeline approaching the clinic:

- Critical mass
  - 625 employees
  - Revenues 2004: EUR 73 m

- Serving > 120 customers
- FSE Prime Segment
<table>
<thead>
<tr>
<th>Discovery and Development Services (DDS)</th>
<th>Discovery Programs Division (DPD)</th>
<th>Tools and Technologies (Evotec Technologies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSD Discovery Serv.</td>
<td>Pharma</td>
<td>Instrumentation, SW and Disposables</td>
</tr>
<tr>
<td>CPD Chemical &amp; Pharmaceutical Development</td>
<td>• Central Nervous Systems</td>
<td>Revenues 04</td>
</tr>
<tr>
<td></td>
<td>• Metabolic Disease</td>
<td>EUR 17.7 m</td>
</tr>
<tr>
<td>Revenues 04</td>
<td>Revenues 04 EUR 0.9 m</td>
<td></td>
</tr>
<tr>
<td>EUR 54.1 m</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Evotec OAI today
Focus on 3 major value drivers

- Development of a sustainable CNS-related pipeline
  - Acquisition of Evotec Neurosciences’ CNS portfolio
  - EUR 60 m available to progress and build sustainable CNS pipeline
  - Initial compound to enter Phase I in 2005
  - Potency step up for front runner metabolic disease compound

- Excellence in customer relations
  - Business Development management strengthened
  - Discovery chemistry contracts extensions with Roche, Solvay, Elixir, Vitex and Chroma
  - Strong growth and best position ever in Chemical and Pharmaceutical Development; commercial supply of 3 APIs enhance visibility

- Cash generation from Services to support proprietary research
  - Operating cost structure improved by restructuring of service business
Q1 2005 highlights

- Revenue growth + 10% for Evotec Group, + 36% in Services
- Operating Income (before amortisation) in Services at break-even 03/05: €-0.2 m
- Strong cash position
  - Evotec cash at 31/03/05: €15.5 m
  - Acquired ENS cash at 31/03/05: €20 m
  - Secured PIPE: €27m
Evotec’s differentiating strengths (1):
Fully integrated R&D solutions from Target to Clinic

*PDC = Preclinical Development Candidate; IND = Investigational New Drug; POCD = Proof of Concept Drug

**typically done by customer or subcontracted
Evotec’s differentiating strengths (2): Critical mass in scientific skills and facilities

- 500+ experienced scientific/technical staff
- High quality research facilities:
  - **Laboratories:**
    - 27 biology labs
    - 5 cell-culture labs
    - >35 chemistry labs
    - 8 analytical labs
    - X-ray crystallography
  - **World-class screening factory:**
    - 3 uHTS platforms for biochemical and cellular assays
  - **Production:**
    - 2 cGMP kilo laboratories
    - 2 pilot plants, with 8 vessels (FDA and European standards)
  - **Cutting-edge analytical equipment**
Evotec’s differentiating strengths (3):
Excellent customer network, outstanding references
Pharma and biotech pressure is our opportunity

Evotec Neurosciences

Biotech & Pharma Assets

DeveloGen cooperation

Academia
NIH / NINDS
UC GRI, MGH

Develop a sustainable pipeline to proof-of-concept
Building a sustainable CNS related pipeline based on a solid financial position

- Acquisition of Evotec Neurosciences (ENS)
  - Interesting pre-clinical portfolio plus €20m of cash
  - 1st compound to reach clinic in 2005
  - Share-for-share transaction

- Equity financing
  - Subject to shareholder approval
  - Committed subscriptions to raise €27m
  - Pre-emption rights of existing shareholders

Total funds available: > €60m
Agenda

01 Evotec OAI Overview
02 Building a Proprietary Pipeline
03 Contract Research
04 Q1 Results
05 Strategic Summary and Outlook
Drug discovery pipeline of the combined entity

- **Evotec OAI**
  - **ENS 101** (oral NMDA NR2B antagonist)
  - **ENS 102** (i.v. NMDA NR2B antagonist)
  - **ENS 103** (oral NMDA NR2B antagonist)
  - **Project 1**
  - **Project 2**

- **BI collaboration**
  - Project 1
  - Project 2

- **Takeda collaboration**
  - **Meta 075**
  - **Meta 261**
  - **Meta 244**

- **DeveloGen JV (50:50)**

**Drug Discovery Pipeline Stages**
- **Discovery**
- **Preclinical**
- **IND**
- **Phase I**
- **Phase II**
- **Phase III**

**Evotec OAI drug candidates**
- **partnered**
- **in-house**
NMDA receptor antagonists: Compelling science and market potential

- Extensive studies indicate role for NMDA antagonists in:
  - Neuropathic pain
  - Parkinson’s disease
  - Alzheimer’s disease

- Clinical development and use of non-selective NMDA antagonists hampered by low therapeutic window due to mechanism related side-effects

- Memantine (non-selective NMDA receptor antagonist)
  - Sold in US / EU for moderate-to-severe AD
  - US Q4 sales > $100m shortly after launch (block buster potential)
  - EU sales are strong and growing at approximately 200% p.a.
Antagonism of NMDA receptor subtypes limits side effects

- NR2B subunit has a distribution in brain restricted to areas important in:
  - Alzheimer’s disease (cortex, hippocampus)
  - Parkinson’s disease (basal ganglia)
  - Pain sensation (dorsal horn, thalamus, cortex)

- Selective block of NR2B subtype
  - Retains many beneficial effects of non-selective antagonists
  - Markedly reduces side-effects mediated through other subtypes
  - Potential use in AD, PD and pain
Selective NMDA NR2B receptor antagonists: Potential benefits

- Side effects and beneficial effects separated
- Effective
  - In preclinical Parkinson’s disease models
  - Against neuropathic pain preclinically and clinically
- Can dose to get higher efficacy
  - High doses do not impair memory and learning processes
  - May actually improve memory and learning processes
02 Building a Proprietary Pipeline

Drug discovery pipeline of the combined entity

- **Evotec OAI drug candidates**
  - ENS 101 (oral NMDA NR2B antagonist)
  - ENS 102 (i.v. NMDA NR2B antagonist)
  - ENS 103 (oral NMDA NR2B antagonist)
  - Meta 244
  - Meta 075
  - Meta 261

- **BI collaboration**
  - Project 1
  - Project 2

- **Takeda collaboration**
  - Project 1
  - Project 2

- **DeveloGen JV (50:50)**
  - ENS 101 (oral NMDA NR2B antagonist)
  - ENS 102 (i.v. NMDA NR2B antagonist)
  - ENS 103 (oral NMDA NR2B antagonist)
  - Meta 244

- **AD**
  - ENS 103 (oral NMDA NR2B antagonist)
  - Meta 075
  - Meta 261
  - Meta 244

**Discovery** | **Preclinical** | **IND** | **Phase I** | **Phase II** | **Phase III**
Milestones

Clear goals to build a sustainable CNS pipeline

- First product in the clinic during 2005
- Two further clinical candidates by 2006/2007
- First product to proof-of-concept by 2008
- Future acquisitions of companies and / or products to broaden pipeline
Agenda

01 Evotec OAI Overview
02 Building a Proprietary Pipeline
03 Contract Research
04 Q1 Results
05 Strategic Summary and Outlook
Strong relative performance
Competitor benchmark

Service-related sales in $ 2003*

<table>
<thead>
<tr>
<th>Company</th>
<th>2003 Sales</th>
<th>Growth in %</th>
<th>3rd party revenue DDS+DPD</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMRI***</td>
<td>144,7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arqule</td>
<td>65,5</td>
<td>-17,0</td>
<td></td>
</tr>
<tr>
<td>EOAII</td>
<td>67,9</td>
<td>+0,5</td>
<td></td>
</tr>
<tr>
<td>DPI</td>
<td>47,2</td>
<td>-3,4</td>
<td></td>
</tr>
<tr>
<td>Array#</td>
<td>28,3</td>
<td>+40,0</td>
<td></td>
</tr>
<tr>
<td>PDD</td>
<td>29,5</td>
<td>-17,3</td>
<td></td>
</tr>
</tbody>
</table>

Service-related sales in $ 2004*

<table>
<thead>
<tr>
<th>Company</th>
<th>2004 Sales</th>
<th>Growth in %</th>
<th>3rd party revenue DDS+DPD</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMRI***</td>
<td>121,6</td>
<td>-16,0</td>
<td></td>
</tr>
<tr>
<td>Arqule</td>
<td>54,5</td>
<td>-17,0</td>
<td></td>
</tr>
<tr>
<td>EOAII</td>
<td>68,3</td>
<td>+0,5</td>
<td></td>
</tr>
<tr>
<td>DPI</td>
<td>45,6</td>
<td>-3,4</td>
<td></td>
</tr>
<tr>
<td>Array#</td>
<td>31,1</td>
<td>+40,0</td>
<td></td>
</tr>
<tr>
<td>PDD</td>
<td>24,4</td>
<td>-17,3</td>
<td></td>
</tr>
</tbody>
</table>

*1 EUR = 1.13 $ in 2003, 1 EUR = 1.24$ in 2004

** -8.3% in EUR

*Collaboration revenues: Licensing + milestones

** Successful with proprietary research

*** incl. Organichem pro forma
Margin impacted by currency

Revenue Mix 2004

- Asia: 4% (47% @ 2002 USD)
- Europe: 49%
- USA: 54% @ 2002 USD

DDS Gross Margins

- Asia: 4% (47% @ 2002 USD)
- Europe: 50.1%
- USA: 35.0%
- av. 31.2% (40.9% @ 2002 USD)
Strategic alliance with Roche strengthens discovery business

- Long-standing relationship
  - Initiated in 2001 in chemical library synthesis
- Support of all 4 major R&D sites in the design of high quality chemical compounds for Roche’s medicinal chemistry programmes
  - Extended for another year
- Extension of additional medicinal chemistry contract on a high profile oncology compound signed
- Extension of substantial hERG testing agreement signed
- In-licensing of CNS compounds by Evotec Neurosciences
Boehringer Ingelheim collaboration: Higher value outcome-based deal

3 years
FTEs, milestones, royalties

Disease biology
Drug Discovery
Clinical development

Evotec OAI's discovery engine
Evotec OAI's development engine

> CNS disease expertise
> Target validation know-how
> Disease models

> Established discovery engine
> GPCR target class expertise
> Track record

> Complementary discovery and disease expertise
> Clinical development
> Manufacture
> Commercialisation
Clear goals for Discovery and Development Services

- Focus on cash generation
- Strong commitment to cost reductions and efficiency gains
  - Completed reduction of headcount in IT, business development and operational management
  - Further reductions in G&A in progress
- Emphasis on higher value-added contract research
  - More outcome-based collaborations (milestones, royalties)
  - Focus on gross margin rather than revenue maximisation
  - Increase consultancy role to biotech companies
Agenda

01 Evotec OAI Overview
02 Building a Proprietary Pipeline
03 Contract Research
04 Q 1 Results
05 Strategic Summary and Outlook
Group revenues up 10%, Services up 36%

Revenues in EUR million

<table>
<thead>
<tr>
<th></th>
<th>Q1 2004</th>
<th>Q1 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>14,4</td>
<td>15,9</td>
</tr>
<tr>
<td>DDS</td>
<td>+ 10%</td>
<td></td>
</tr>
<tr>
<td>DPD</td>
<td>0,9</td>
<td>0</td>
</tr>
<tr>
<td>ET</td>
<td>3,4</td>
<td>2,3</td>
</tr>
</tbody>
</table>

+ 36 %
Overall gross margin in Services down, but all areas apart from pilot plant were up

Gross margin in %

- Evotec OAI Group: Q1 2004 - 37.3%, Q1 2005 - 33.2%
- DDS: Q1 2004 - 33.7%, Q1 2005 - 30.0%
- ET: Q1 2004 - 53.8%, Q1 2005 - 57.4%

Extraordinary effect from strategic underutilisation of pilot plant
Improved R&D, SG&A, Other Expenses by €2.5m compared to Q1 2004, mainly from Service

Evotec OAI Group spend in EUR million
04 Q1 Results

Operating loss cut in half, Service Business at break-even

Operating Result before amortisation in EUR million

-4.5
-3.1
-2.3
-0.7
-1.4

Evotec OAI Group
DDS
ET
04 Q1 Results

No significant changes to Equity/Liabilities; Strong equity ratio

Equity and Liabilities in EUR million

- Stockholders' equity: 100,0
- Long-term liabilities incl. minorities and deferred taxes: 14,8
- Other short-term liabilities: 9,1
- Trade accounts payable: 7,9
- Accruals: 6,7

31.03.2005

- Total Equity: 138,5

31.12.2004

- Total Equity: 138,5

04 Q1 Results

No significant changes to Equity/Liabilities; Strong equity ratio

Equity and Liabilities in EUR million

- Stockholders' equity: 102,0
- Long-term liabilities incl. minorities and deferred taxes: 15,6
- Other short-term liabilities: 9,2
- Trade accounts payable: 4,7
- Accruals: 7,0

31.03.2005

- Total Equity: 138,5

31.12.2004

- Total Equity: 138,5
Slightly reduced current assets since 2004 end

### Asset Base in EUR million

<table>
<thead>
<tr>
<th></th>
<th>31.03.2005</th>
<th>31.12.2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade accounts receivable</td>
<td>9.8</td>
<td>14.7</td>
</tr>
<tr>
<td>Inventories</td>
<td>13.4</td>
<td>10.1</td>
</tr>
<tr>
<td>Other assets</td>
<td>8.0</td>
<td>7.6</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>49.8</td>
<td>49.2</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>42.0</td>
<td>41.6</td>
</tr>
<tr>
<td>Cash and marketable securities</td>
<td>15.5</td>
<td>15.3</td>
</tr>
</tbody>
</table>

**Note:** For the year 2005, the end date is 31.03.2005, and for 2004, it is 31.12.2004.
## Operating cash flow positive

<table>
<thead>
<tr>
<th></th>
<th>Q1 2005</th>
<th>Q1 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>T€</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash (used in) provided by operating activities</td>
<td>3,310</td>
<td>(2,707)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(3,609)</td>
<td>(865)</td>
</tr>
<tr>
<td>Net cash provided by financing activities</td>
<td>95</td>
<td>871</td>
</tr>
<tr>
<td><strong>Net decrease in cash and cash equivalents</strong></td>
<td>(204)</td>
<td>(2,701)</td>
</tr>
<tr>
<td>Exchange rate difference</td>
<td>463</td>
<td>273</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- at beginning of year</td>
<td>15,277</td>
<td>18,763</td>
</tr>
<tr>
<td>- at end of the first quarter</td>
<td>15,536</td>
<td>16,335</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents incl marketable securities at the end of the first quarter</strong></td>
<td>15,536</td>
<td>16,335</td>
</tr>
</tbody>
</table>
Agenda

01 Evotec OAI Overview
02 Building a Proprietary Pipeline
03 Contract Research
04 Q1 Results
05 Strategic Summary and Outlook
Better order book than a year ago

Sales and order book status as of April
in EUR million

- Discovery: challenging markets, stabilising
- Development: strong momentum
2005 guidance

- Group revenues to grow by up to 5%
- Discovery Services (DDS) guidance
  - Revenues: no change over last year (2004: EUR 54m)
    (as revenues from Evotec Neurosciences are now consolidated)
  - DDS Operating Income before amortisation approx. break-even
    - Improved capacity utilisation in Chemical and Pharmaceutical Development
    - Positive results from restructuring programme (R&D, SG&A)
    - Significant improvement over 2004 (2004: EUR -7.8m)
- Group R&D expenses to increase significantly
  - CNS drug development strategy requires higher R&D efforts
  - Minimum of EUR 12-14m for internal drug discovery and development
    - First product in the clinic during 2005
Evotec OAI in the future: 3 year plan

- Clear focus on building a sustainable CNS pipeline
  - First product in the clinic during 2005
  - Two further clinical candidates by 2006/2007
  - First product to proof-of-concept by 2008
  - Future acquisitions of companies and/or products to broaden pipeline

- Margin and cash driven contract research

- Strong financial position
  - Approximately €60 million cash available
  - Supplemented by cash flow from contract research
  - Early out-licensing to generate additional cash
Taking the lead

Your contacts:

Jörn Aldag
CEO
P: +49.(0)40.56081-375
joern.aldag@evotecoai.com

Anne Hennecke
Director Investor Relations
P: +49.(0)40.56081-286
anne.hennecke@evotecoai.com